

**MEMORANDUM OF AGREEMENT
BETWEEN
THE STATE OF ALABAMA DEPARTMENT OF FINANCE
AND
THE ALABAMA DEPARTMENT OF PUBLIC HEALTH
FOR THE DISTRIBUTION OF CORONAVIRUS STATE FISCAL RECOVERY FUNDS**

This Memorandum of Agreement (the "Agreement") is made by and between the State of Alabama Department of Finance, at 600 Dexter Avenue, Montgomery, Alabama 36130 (hereinafter referred to as "DOF"), and the State of Alabama Department of Public Health (hereinafter referred to as "ADPH"). DOF and ADPH may be referred to herein individually as a "party" and collectively as the "parties." This Agreement becomes effective on the approval of the parties and the Governor of the State of Alabama.

I. PURPOSE

The federal American Rescue Plan Act of 2021, Public Law No. 117-2, 135 Stat. 4. ("ARPA") was signed into law on March 11, 2021. The Act amended the federal Social Security Act to add Section 602 to the Social Security Act, and by doing so, created the Coronavirus State Fiscal Recovery Fund (hereinafter referred to as "the State Recovery Fund"). The Act appropriated funds from the State Recovery Fund to the State of Alabama and other states to support their response to the impact of COVID-19 on their communities, residents, and businesses; and to aid in efforts to contain COVID-19. Under Section 602 of the Social Security Act, the State Recovery Fund funds may be used to cover costs obligated on or before December 31, 2024 and incurred by the State on or before December 31, 2026, for four broad purposes:

- A. To respond to the COVID-19 public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits; or for aid to impacted industries;
- B. To respond to workers performing essential work during the COVID-19 public health emergency, by providing premium pay to eligible workers who are performing essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
- C. For the provision of government services to the extent of the reduction in revenue of the State due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- D. To make necessary investments in water, sewer, or broadband infrastructure.

The Secretary of the Treasury promulgated initial regulations for purposes of implementing the State Recovery Fund, published in the May 17, 2021, Federal Register, at 86 Fed. Reg. 26786 (the "Interim Final Rule"). The Interim Final Rule clarifies that the State Recovery Fund is intended to build upon and expand the support provided to states and other governments over the last year, including through the Coronavirus Relief Fund ("CRF"). The Interim Final Rule further provides a non-exclusive list of examples of costs that qualify for payment from the State Recovery

Fund funds under one of the four broad categories specified in Section 602 of the Social Security Act, as specified above. In response to public comments to the Interim Final Rule, the Secretary of the Treasury promulgated final regulations in the January 27, 2022, Federal Register, at 87 Fed. Reg. 4338 (the "Final Rule"), which took effect on April 1, 2022. For purposes of this Agreement, funds provided by DOF to ADPH must be used consistent with the requirements of the Final Rule.

The State of Alabama was allocated \$2,120,279,417 from the federal State Recovery Fund. Section 2(2) of Alabama Act No. 2022-1 (the "Act") appropriates up to \$5,000,000 of such funds to DOF to be used to facilitate the expansion and use of telemedicine (hereinafter referred to as the "Funds"). The Act further provides that the Funds may be delegated through memoranda of agreement with the Alabama Department of Public Health, or any other health care association or health care provider.

Using the Funds provided under this Agreement, ADPH will administer a telehealth grant program (hereinafter the "Program") which will provide funds to hospitals in the form of a grant to cover the costs of creating and/or expanding telehealth services. The program's objective is to increase access to quality care for rural communities and provide additional revenue streams to support the health care infrastructure and economy in those communities. Grants from ADPH will be awarded to hospitals via a competitive Request for Proposals process, will range from \$50,000 to \$200,000 each, and may be used for creating telehealth capabilities, support existing telehealth services, program fees, information technology, and information technology support. Further details of the Program are included in Appendix A to this Agreement which is incorporated herein by reference.

DOF has concluded that the Program is necessary to continue to respond to and mitigate the COVID-19 pandemic and public health emergency in Alabama and the economic impacts thereof. Further, DOF concludes that providing Funds to ADPH for the purposes described herein is an eligible and appropriate use of the Funds under both federal and state law. DOF fully supports ADPH in its effort to support and protect the citizens of Alabama.

II. PARTIES' RESPONSIBILITY

A. ADPH agrees to the following:

1. To utilize the Funds provided under this Agreement for the purposes described herein and in Appendix A and for no other purpose;
2. To utilize a competitive process for awarding grants to eligible hospitals;
3. To use the Funds in accordance with Section 602 of the Social Security Act, the Final Rule and other applicable federal and state law, and for the purposes set forth in this Agreement, and for no other purpose; and
4. To provide to the State Finance Director's Office by November 15, 2022, and monthly thereafter on the 15th of every month, a report detailing how the Funds are being utilized and a report of expenditures made since the preceding report, and to further provide interim reports as the State Finance Director's Office may determine necessary;

5. To return any Funds provided by DOF under this Agreement that remain unobligated on December 1, 2024 to DOF by December 15, 2024, and to return any Funds provided under this Agreement that remain unspent as of December 1, 2026 to DOF by December 15, 2026.
6. A portion of the funds, not to exceed five percent (5%) may be used by ADPH to cover the costs of administering the Program, including, but not limited to, the costs associated with services provided by outside consultants, accountants, attorneys.

B. DOF agrees to the following:

1. To provide, within fourteen (14) days of the effective date of this Agreement, \$5,000,000 to ADPH from the State's Funds appropriated pursuant to Alabama Act 2022-1 for the ADPH grant program described herein and in Appendix A and for no other purpose; and
2. To make all reports to the federal government required by ARPA.

III. TERMINATION OF AGREEMENT

Except as set forth in this section, this Agreement may be terminated only in a writing signed by each party or representative of each party. If DOF concludes, after a reasonable investigation and in its sole discretion as administrator of the Funds, that the Funds provided hereunder have been used in a manner inconsistent with federal or state law, DOF may terminate this Agreement immediately upon written notice to ADPH.

IV. MISCELLANEOUS PROVISIONS

A. The terms and commitments contained herein shall not constitute a debt of the State of Alabama, which is prohibited by Section 213 of the Official Recompilation of the Constitution of Alabama, 1901, as amended by Amendment No. 26.

B. By signing this Agreement, the contracting parties affirm, for the duration of the Agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the state of Alabama. A contracting party found to be in violation of this provision shall be deemed in breach of the Agreement and shall be responsible for all damages resulting therefrom.

C. In the event of any dispute between the parties, senior officials of both parties shall meet and engage in a good faith attempt to resolve the dispute. Should that effort fail, and the dispute involves the payment of money, the sole remedy is the filing of a claim with the Board of Adjustment of the State of Alabama. For any and all other disputes arising under the terms of this Agreement which are not resolved by negotiation, the parties agree to utilize appropriate forms of non-binding alternative dispute resolution including, but not limited to, mediation. Such dispute resolution shall occur in Montgomery, Alabama, utilizing, where appropriate, mediators selected

from the roster of mediators maintained by the Center for Dispute Resolution of the Alabama State Bar.

D. In order to comply with federal notice requirements relating to the administration of grants and other federal assistance funds, DOF provides the following information to the ADPH: this award is provided to ADPH through a grant to the State of Alabama in the amount of \$2,120,279,417 from the United States Treasury via Section 602 of the Social Security Act, as added by Public Law No. 117-2, known as the American Rescue Plan Act of 2021 ("ARPA"), which established the Coronavirus State Fiscal Recovery Fund. This award is provided in accordance with the requirements set forth in ARPA and other applicable federal and state law and policy, and ADPH affirms that all information it has provided to DOF relating to this award is true and accurate. This award does not include research and development. The parties acknowledge and understand that each recipient of the Funds will be evaluated in accordance with Code of Federal Regulations, Title 2, § 200.331-333 for risk of noncompliance with federal statutes, regulations, and the terms and conditions of the award. Further, each recipient's activities will be monitored as necessary to ensure that the award is used for authorized purposes, in compliance with law, and that award performance goals are achieved. Other monitoring tools may be implemented on the level of risk imposed by the recipient.

E. Code of Federal Regulations, Title 2, § 200.332(f) requires DOF to verify that each recipient that is expected to expend \$750,000 or more in Federal awards during a fiscal year have a single or program-specific audit conducted for that year in accordance with the provisions of Code of Federal Regulations, Title 2, § 200.501. In addition, any non-federal entity (as defined in the Code of Federal Regulations) that receives Funds from ADPH are subject to the Single Audit Act. The parties acknowledge that DOF has provided notice to ADPH of the audit requirements applicable to the award made by this Agreement and ADPH agrees to comply therewith and to notify subrecipients of said requirements.

F. The sub-grantee, contractor, subcontractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this Agreement. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this Agreement.

V. AMENDMENTS

This Agreement may only be amended by a writing signed by each party or representatives of each party.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by those officers, officials duly authorized to execute such agreements on 16th day of November, 2022.

**State of Alabama
Department of Finance**



Bill Poole
Director of Finance

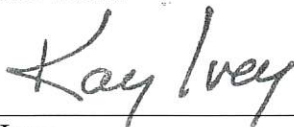
11/16/2022
Date

**Alabama Department of
Public Health**



Scott Harris, M.D., M.P.H.
State Health Officer

APPROVED:



Kay Ivey
Governor of Alabama

11/16/2022

APPROVED AS TO FORM AND
COMPLIANCE WITH APPLICABLE
RULES AND REGULATIONS
DEPT. OF PUBLIC HEALTH

NOV 3 2022



OFFICE OF GENERAL COUNSEL

Summary: ADPH will administer a funding program for hospitals and rural healthcare providers to cover the cost of creating and/or expanding telehealth services.

Objective: ADPH will utilize Alabama's ARPA telehealth funding to establish new and expanded telehealth programs throughout Alabama. This will increase access to quality care for rural Alabama communities and provide additional revenue streams to support the health care infrastructure and economy in those communities.

Proposal: ADPH will be responsible for administering the program and will solicit RFPs from Alabama hospitals and rural healthcare providers. Grant awards would be awarded from \$50,000 to \$200,000, which can be used to cover telehealth services, program fees, Information Technology support, and technology. A panel will be founded to establish evaluation criteria and review of applications.

Successful grant application must have the following sections:

- 1) Background detailing the specific healthcare delivery issue trying to be solved with telehealth and the need to be addressed. Ideally, each hospital would choose services based on the number of transfers out of the hospital by given subspecialties, thus leading to the economic benefit for the service.
- 2) The telehealth service and technology plan including a physician, physician group, or other healthcare provider group willing to provide the telehealth service (with letter of support). Previous telehealth funding programs did not ensure equipment purchases were compatible or appropriate for the desired telehealth service provider, which resulted in waste and reduced effectiveness. Consequently, proposals exclusively for technology equipment and software without a demonstration of service provider coordination will not be accepted.
- 3) Budget including marketing of the service, technology, IT service line agreements if indicated, program fees, and/or cost of prespecified number of consultations.
- 4) Plan to track the financial impact of the program including but not limited to increase in census, increases in revenue, and increase in case-mix index. As well as other clinical/quality indicators that correlate to better health outcomes.
- 5) Letters of support from the telehealth service provider along with a statement of ability to deliver the service to applicant facility, letter of support from chief medical or nursing officer of the applicant facility, and letter of support from CEO of applicant facility.

Benefits:

- Increases access to specialty health care in Alabama communities.
- Minimizes travel for patients, which is a significant barrier for accessing health care services and can be critical for certain time-sensitive conditions such as stroke.
- By having patients receive their health care services in the local community, hospitals and other healthcare providers will receive revenues that otherwise would go to entities outside the community.
- In addition to retaining patients at local facilities, hospitals will be treating more medically complex patients, which automatically triggers higher reimbursement from certain public insurers.
- The increased revenues support the local economy.